



The Johnson Letter

From the desk of
Michigan State Senator

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The Results Are In

Dear Friend:

In an attempt to address the effects of the rising costs of health care on public school districts, and as a result of my prompting, last year the Legislature decided to have a comprehensive study conducted. Its goal was to determine whether it would be viable to place employees of K-12 school districts, intermediate school districts, charter schools, and community colleges into a state-wide group health benefit system. I am pleased to announce that the results of this study are in, and available to the public at <http://council.legislature.mi.gov>

I am sure that once you review the findings you will be as excited as I am about the ability we have to save school districts across Michigan upwards of \$281 million annually. As the study concludes, a state-wide healthcare plan for public school employees could save between 7 to 13 percent out of the estimated \$2.1 billion to be spent on healthcare benefits this school year. More importantly, the study concludes that this savings could be attained and includes a recommendation which would result in an **increase** to current benefit levels for 74 percent of Michigan's public school employees with 18 percent of employees seeing no change.

Another recommendation resulting from the study would be that school districts and employee unions would continue to decide how to allocate additional savings between the district and employees through the collective bargaining process. In the coming months my colleagues and I will be working with all relevant parties to ensure that these savings can be realized while continuing to allow for school districts and local bargaining units to select the best coverage for themselves.

I truly believe that we are in a unique position to increase the amount of funding in the classroom without raising taxes or detrimentally affecting employees. I assure you that I will continue to strive to maintain quality healthcare benefits for public school employees throughout Michigan even during these tough economic times and in the face of skyrocketing healthcare costs.

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Junior ROTC legislation signed into law

A new Michigan law will allow schools to count their Junior Reserve Officer Training Corps classes as instructional time. Senate Bill 77, now Public Act 41 of 2005, would waive the requirement that JROTC instructors have to be state certified in order for classes they teach to count towards instructional time. JROTC instructors, all of whom served in the military, are qualified to teach based on military standards. For years, this type of instruction has been considered as instructional time. This practice was recently challenged, leaving the future of some programs in jeopardy. The new law makes it easier for schools to continue offering JROTC classes.

Senate approves bill to allow safer, more efficient transportation of gasoline

Legislation approved recently by the Michigan Senate would make it easier for utilities to construct gasoline pipelines and other infrastructure, promoting safer, more efficient delivery to consumers. Senate Bill 522 would give the Michigan Public Service Commission the authority to allow public utilities to construct facilities along the right-of-way of federally-owned limited-access highways, while seeking input from local governments. Under the bill, local governments would not be able to arbitrarily hold up a project that has met all state requirements and approvals. The bill addresses issues raised in last year's Supreme Court decision in the case *City of Lansing v. the Michigan Public Service Commission and Wolverine Pipeline Company*. It would remove the roadblock preventing a proposed gas pipeline along the I-96 corridor outside Lansing. The proposed pipeline would ease the supply of gasoline to more than 39 counties in central and northern Michigan.

Incentives offered for new high-tech firms

The Michigan Senate this week passed legislation that offers incentives to new high technology start-up companies. The Senate Republican effort would help diversify Michigan's economy and promote job creation.

One part of the legislation would create tax incentives to "angel investors" or individuals who provide initial start-up funds for new firms. They get involved long before institutional investors or venture capitalists get involved. During hearings on the legislation, one leader of a high-tech firm in Ann Arbor testified that too often new Michigan businesses are encouraged to leave the state by the venture-capital firms.

Another part would remove a disincentive new high-technology firms have when trying to grow and invest. Small technology companies would be exempted from fees based on the number of stock shares they authorized. Under existing laws, start-ups are hit with high fees — \$35,000 on 30 million authorized shares — at a time when few of the companies have cash. That disincentive encourages companies to locate in another state.

Drug use could factor into child custody decisions

Judges could use a parent's substance abuse problem or substance abuse conviction when determining child custody under legislation introduced in the Senate. The bill would amend the Child Custody Act to add "controlled substance abuse or commission of a controlled substance offense" to the list of factors used in determining the best interests of a child in custody battles.

Northern Michigan Initiative

The Senate has been hard at work on legislation in the Northern Michigan Initiative package, which is designed to stimulate the economy in northern Michigan and provide incentives to attract tourism and travel in the region. Northern Michigan Initiative legislation recently passed by the Senate includes Senate Bill 398. This bill creates a Great Lakes Recreational Pass – a multi-state/federal agreement allowing individuals to purchase one pass to visit select parks and forest recreation areas throughout Michigan and neighboring states. The pass would emulate the "Northwest Pass" created by a partnership between Oregon, Washington and the National Park Service. Also passed was SB 415. It will require the Department of Natural Resources to enter into an agreement with other states to share information regarding certain snowmobile convictions.

Senate looking to save SOS branch offices

The Senate is considering legislation that would allow smaller communities to keep their Secretary of State Branch offices instead of being forced to drive more than 25 miles to the nearest office. Senate Bill 210 would amend the Michigan Vehicle Code to allow the population within a 10 mile radius to be added to the adjacent municipal population to achieve the 10,000 population requirement for the location of a Secretary of State Branch office. Current law calls for at least one branch office in each county and community with a population of more than 10,000 residents. A few of the SOS branch offices slated for closure are in cities with less than 10,000 people but serve surrounding communities of more than 10,000 people.

Questions or Comments?

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Please Note: The Johnson Letter is published monthly, for all interested readers, by the Office of State Senator Shirley Johnson. To be added or removed permanently to our mailing list, please contact our office.